

AN ACT

RELATING TO THE CONTINUED EFFECT OF TERMS, CONDITIONS,
COVENANTS, AND PROVISIONS CONTAINED IN DOCUMENTS AND
INSTRUMENTS CREATING OR REGULATING MULTIPLE HOUSING
COOPERATIVES AND HORIZONTAL PROPERTY REGIMES, BY ALLOWING
LIMITED LIABILITY COMPANIES TO FORM MULTIPLE HOUSING
COOPERATIVES, AND INCLUDING APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 499A.1, subsection 1, Code 2014, is amended to read as follows:

1. Any two or more persons of full age, a majority of whom are citizens of the state, may organize themselves for the following or similar purposes: Ownership of residential, business property on a cooperative basis. A corporation or limited liability company is a person within the meaning of this chapter. The organizers shall adopt, and sign and acknowledge the articles of incorporation, stating the name by which the cooperative shall be known, the location of its principal place of business, its business or objects, the number of directors to conduct the cooperative's business or objects, the names of the directors for the first year, the time of the cooperative's annual meeting, the time of the annual meeting of its directors, and the manner in which the articles may be amended. The articles of incorporation shall be filed with the secretary of state who shall, if the secretary approves the articles, endorse the secretary of state's approval on the articles, record the articles, and forward the articles to the county recorder of the county where the principal place of business is to be located, and there

the articles shall be recorded, and upon recording be returned to the cooperative. The articles shall not be filed by the secretary of state until a filing fee of five dollars together with a recording fee of fifty cents per page is paid, and upon the payment of the fees and the approval of the articles by the secretary of state, the secretary shall issue to the cooperative a certificate of incorporation as a cooperative not for pecuniary profit. The county recorder shall collect recording fees pursuant to section 331.604 for articles forwarded for recording under this section.

Sec. 2. NEW SECTION. 499A.23 Effect of documents and instruments.

1. Unless amended or terminated by this chapter or by the following documents or instruments, all terms, conditions, covenants, and provisions contained in the following documents or instruments shall remain in full force and effect as long as the cooperative remains in existence:

- a.* The articles of incorporation of the cooperative and any amendments thereto.
- b.* The bylaws of the cooperative and any amendments thereto.
- c.* Any proprietary leases, contracts, or other agreements between the cooperative and a member of the cooperative or between members of the cooperative.
- d.* Any property interests created by any documents or instruments specified in paragraph "a", "b", or "c".

2. A document or instrument specified in subsection 1, and any property interests created by such document or instrument, shall not be extinguished, limited, or impaired by application of section 558.68 or 614.24.

Sec. 3. NEW SECTION. 499B.21 Effect of documents and instruments.

1. Unless amended or terminated by the following documents or instruments, all terms, conditions, covenants, and provisions contained in the following documents or instruments shall remain in full force and effect as long as the horizontal property regime remains in existence:

- a.* The declaration of the horizontal property regime and any amendments thereto.
- b.* The articles of incorporation of the horizontal property regime and any amendments thereto.
- c.* The bylaws of the horizontal property regime and any amendments thereto.
- d.* Any rules and regulations adopted pursuant to the

declaration of the horizontal property regime and the bylaws of the horizontal property regime.

e. Any property interests created by any documents or instruments specified in paragraphs "a", "b", "c", or "d".

2. A document or instrument specified in subsection 1, and any property interests created by such document or instrument, shall not be extinguished, limited, or impaired by application of section 558.68 or 614.24.

Sec. 4. Section 558.68, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 6. This section shall not extinguish, limit, or impair the validity of a document or instrument specified in section 499A.23 or 499B.21, or any property interests created by such document or instrument.

Sec. 5. Section 614.24, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 4. This section shall not extinguish, limit, or impair the validity of a document or instrument specified in section 499A.23 or 499B.21, or any property interests created by such document or instrument.

Sec. 6. APPLICABILITY. This Act applies to all multiple housing cooperatives and horizontal property regimes created prior to, and still in existence on, July 1, 2014, and created on or after July 1, 2014.

PAM JOCHUM

President of the Senate

KRAIG PAULSEN

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2312, Eighty-fifth General Assembly.

MICHAEL E. MARSHALL

Secretary of the Senate

Approved _____, 2014

TERRY E. BRANSTAD

Governor